

## Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 ISO-00 EUR-12 EA-10 CIAE-00 DODE-00

PM-05 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 AID-05 COME-00 EB-08

FRB-03 TRSE-00 XMB-02 OPIC-03 LAB-04 SIL-01

OMB-01 STR-05 CEA-01 /122 W

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R 300640Z NOV 77

FM AMEMBASSY SANA

TO SECSTATE WASHDC 3087

INFO AMEMBASSY JIDDA

AMEMBASSY CAIRO

AMEMBASSY KUWAIT

AMEMBASSY KHARTOUM

AMEMBASSY MOGADISCIO

AMEMBASSY AMMAN

AMEMBASSY MUSCAT

AMEMBASSY ADDIS ABABA

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

C O N F I D E N T I A L SANA 4703

E.O. 11652: GDS

TAGS: EAID, YE

SUBJECT: DEVELOPMENT CONFERENCE IN YEMEN

BEGIN SUMMARY: DEVELOPMENT CONFERENCE WHICH NEW  
YARG HOPES WILL RELAUNCH CONFIDENCE AND NORMAL GOVERN-  
MENT ACTIVITY STARTED ON NOV 28 WITH GOOD ATTENDANCE.  
TENSIONS IN AREA, HOWEVER, WERE REFLECTED IN HARSH  
OPENING STATEMENTS BY PDRY AND SOMALI MINISTERS.  
END SUMMARY.

1. WITH MOURNING PERIOD FOR SLAIN PRESIDENT HAMDI NOW  
AT AN END, ALONG WITH MUSLIM HOLIDAYS, GOVERNMENT  
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OF NEW PRESIDENT AHMAD AL-GHASHMI HAS PUT HIGH  
HOPES ON SUCCESS OF CONFERENCE TO DISCUSS NEW  
FIVE-YEAR PLAN FOR YARG. ARRANGEMENTS WERE  
IMPRESSIVE FOR YEMEN. VIRTUALLY ALL ENGLISH  
SPEAKING CADRE IN GOVERNMENT PLUS ENTIRE CABINET  
HAS BEEN MARSHALLED TO WELCOME AND ESCORT  
GUESTS WHO HAVE BEEN INVITED FROM ALL OVER THE

WORLD. MINISTERIAL ATTENDANCE FROM ARAB COUNTRIES AND SUBMINISTERIAL DELEGATIONS FROM OECD NATIONS PLUS LARGE NUMBER OF OTHER GUESTS FROM MULTILATERAL INSTITUTIONS AND PRIVATE COMPANIES HAVE BEEN HEAVILY PUBLICIZED TO BOLSTER CONFIDENCE IN GHASHMI GOVERNMENT.

2. PLAN IS AN IMPRESIVE DOCUMENT WHICH YEMENIS MANAGED TO TRANSLATE INTO ENGLISH (ALL SEVEN VOLUMES) ON EVE OF CONFERENCE. IT IS OVERAMBITIOUS, CALLING FOR AVERAGE 8.2 PERCENT ANNUAL GROWTH FOR 48 PERCENT OVERALL INCREASES DURING PERIOD OF PLAN. ITS ECONOMETRICS ARE SHAKY, AND ANALYSIS OF MANPOWER RESOURCES IS GLOOMY, BUT PLAN HAS USEFULLY COMPILED LONG LIST OF PROJECTS WHICH WILL BE NEEDED TO CARRY OUT GOALS. DETAIL IS IMPRESSIVE. PLAN CALLS FOR LARGE PRIVATE SECTOR PARTICIPATION AND EQUALLY LARGE ROLE FOR FOREIGN COMPANIES. SEPTEL WILL SPELL OUT BECKONING BUSINESS OPPORTUNITIES WHICH WE SEE FOR U.S. COMPANIES.

3. DESCRIPTION OF PLAN BY MINISTER OF DEVELOPMENT MUHAMMAD SALIM AL-BASINDWA WAS FOLLOWED BY STRIDENT SPEECH DELIVERED BY PDRY MINISTER OF ECONOMY ABD AL-AZIZ ABD AL-WALI NASHIR. BASINDWA IS SOUTH YEMENI MODERATE WHO LOST OUT IN REVOLUTION  
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IN ADEN. ABD AL-AZIZ IS NORTH YEMENI RADICAL WHO WON OUT IN THAT REVOLUTION. SPEECHES OF THE TWO MEN CONTRADICTED EACH OTHER AT ALL POINTS BUT ABD AL-AZIZ'S HARSH INSISTENCE ON NEED AND INEVITABILITY OF SOCIALIST MODEL OF GOVERNMENT OF ENTIRE YEMEN SEEMED TO BE WARNING OF SOME (SPECIFICALLY ASNAJ) THAT GOVERNMENT IN ADEN HAD SWUNG BACK TO ITS EARLIER VIEW THAT YEMENI UNITY MUST BE ACHIEVED AND ACHIEVED THROUGH REVOLUTIONARY MEANS. ABD AL-AZIZ CALLED FOR INTEGRATION OF INFRASTRUCTURE PROJECTS WITH CONCENTRATION ON ROADS AND WADI DEVELOPMENT, JOINT PROJECTS IN HEAVY INDUSTRY, LIKE MINERAL DEVELOPMENT, UNIFIED MARKET WHICH WOULD NOT DEPEND ON IMPORTS, CULTURAL IDENTITY BASED ON UNIFIED CURRICULAR CENTERS WHICH WOULD PRODUCE THE "NEW YEMENI MAN" AND UNIFIED DEVELOPMENT PLANS WHICH STRESSED STATE RATHER THAN PRIVATE ACTIVITY.

4. ABD AL-AZIZ REPEATEDLY ATTACKED BRITISH IMPERIALISM AND SUGGESTED NEW IMPERIALISMS IN AREA HAD TO BE OVERTHROWN BY SAME ARMED STRUGGLE.

5. PDRY MINISTER'S SPEECH WAS SUCCEEDED BY  
SPEECH BY SPECIAL ADVISOR TO SOMALI PRESIDENT FOR  
PLANNING MOHAMMAD YUSEF WARI WHO LED OFF WITH  
RINGING ENGLISH LANGUAGE SPEECH ATTACKING "SOVIET  
IMPERIALISM IN LOWER END OF RED SEA" AND PLEDGING  
SOMALI PEOPLE WOULD STAND BY YEMENIS IN OPPOSING  
SOVIET AIMS IN THIS AREA. WARI HAD LITTLE TO SAY  
ABOUT ECONOMICS.

6. CONFERENCE DISCUSSION PROCEEDED WITH REMARKABLY  
FRANK DISCUSSION OF YEMENI DEVELOPMENT AND PLANNING.  
ALL DELEGATES, HOWEVER, RECOGNIZED EXTRAORDINARY  
YEMENI ACHIEVEMENT AND GOVERNMENT ORGANIZATION IN  
LAST FIVE YEARS AND SAID AMBITIOUS GOALS OF PLAN  
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MIGHT BE ACHIEVED IF MOMENTUM AND STABILITY OF  
LAST THREE YEARS COULD BE MAINTAINED.

COMMENT: BELIEVE CONFERENCE--WHICH  
PLANNED BEFORE DEATH OF HAMI--IS USEFUL FOR  
BOTH YAR AND FRIENDS WHO ARE INVOLVED IN DEVELOP-  
MENT ACTIVITY HERE, BUT WE QUESTION WHETHER IT  
WILL SERVE POLITICAL PURPOSES WHICH INTENDED. IT  
MORE LIKELY TO PAPER OVER INTERNAL DIFFERENCES  
TEMPORARILY. DEVELOPMENT, MOREOVER, CANNOT  
ISOLATE YAR FROM POLITICAL STORMS WHICH BEGINNING  
BLOW HARDER IN LOWER RED SEA.  
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## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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RELAUNCH CONFIDENCE AND NORMAL GOV  
**TAGS:** EAID, YE  
**To:** STATE  
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